

Schedule 1 hereto, to be delivered to Buyer's Plant. Unless the parties agree otherwise, and except as otherwise provided herein, such Market Hogs shall be delivered on an equal weekly basis, plus or minus ten percent (10%).

- (b) **Additional Hogs.** Buyer shall have an option to accept and purchase Market Hogs produced by Seller during any calendar year which are in excess of the quantity set forth in subpart (a) above ("Excess Market Hogs"). The option to accept and purchase all (and not less than all) Excess Market Hogs for each year shall be exercised with respect to each year by Buyer providing written notice to Seller at least forty-five (45) days before the beginning of the respective year. If the option to purchase the Excess Market Hogs is timely exercised by Buyer, the Excess Market Hogs will be purchased pursuant to the terms of this Contract. If the Buyer does not timely exercise its option to purchase the Excess Market Hogs, Seller shall be able to sell such Excess Market Hogs produced during such fiscal year to any purchaser as Seller shall determine in its sole discretion. Seller will notify Buyer in writing at least seventy-five (75) days before the beginning of the respective year of the availability of Excess Market Hogs (including the approximate number thereof) for the upcoming fiscal year. Buyer will not be obligated to purchase Market Hogs in excess of such approximate number.

ARTICLE 3

QUALITY

Section 3.01

- (a) **Market Hogs.** For purposes of this Agreement, the term "Market Hog" shall mean hogs meeting the specifications set forth on Exhibit A hereto and produced by Seller.
- (b) **Additional Covenants.** Seller covenants and warrants as follows:
- (i) **PSE.** Each load of Market Hogs shall have a PSE incidence of no greater than the greater of (a) plant average or (b) industry average as determined by the University of Wisconsin Research Department.
 - (ii) **Weight.** Seller shall use its best efforts to achieve an average weight of 260 pounds per Market Hog. Each load shall average 240 to 270 pounds per Market Hog, except for close-out loads on finishing buildings (which shall average 210 to 310 pounds per Market Hog).
 - (iii) **Grade.** All Market Hogs shall on average (measured by Fat-O-Meater over a semi-annual period) be no less than 50% lean in respect to barrows